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ABSTRACT

Supporting performance objective 39 of the V-TECS (Vocational-Technical Education Consortium of States) Secretarial Catalog, both a set of student materials and an instructor's manual on reconciling bank statements are included in this packet. (The packet is the ninth in a set of nine on performing computational clerical activities--CE 016 951-959.) The student materials include information on the purpose and system of bank deposit records and depositor's reconcilement statements, a student activity, a check-out activity, and related simulated forms and checks. The instructor's manual includes instructions for duplicating simulated materials, and answer keys for the two activities. The materials are designed for self-paced individual instruction and may be adapted for use with large groups. (A separate booklet--CE 016 911--lists contents for the nine packets in this set along with those in several other sets--seventy-eight packets in all--based on the same V-TECS catalog.) (JT)

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ED155448

RECONCILING BANK STATEMENT

STUDENT'S MANUAL

Prepared by

Jean Hamer

These materials support
Performance Objective 39 of the
V-TECS Secretarial Catalog

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

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CE016 959

RECONCILING THE BANK STATEMENT

INTRODUCTION

The bank keeps a record of deposits made and checks drawn against a checking account. Near the end of each month, the depositor receives a copy of the account record and a bank statement. Enclosed in the statement are canceled checks.

This information is necessary for the bookkeeper in order to reconcile the checkbook balance with the bank statement balance. To reconcile the bank statement, a special form, called the reconciliation statement is used.

DIRECTIONS

If you need more practice on how to reconcile the bank statement, complete Student Activity I on the next page.

or,

If you are ready to reconcile the bank statement, complete Check Out Activity I.

OBJECTIVES

Given a bank statement, canceled checks, previous month's bank reconciliation statement, check stubs, and deposit slips, reconcile the bank statement with the checkbook balance. The balance in the checkbook must agree with the balance of the bank statement.

Performance will be based on the accuracy of the two adjusted balances.

STUDENT ACTIVITY I

A. Use the Bank Statement below in order to familiarize yourself with names and functions of each of the numbered parts.

Statement of Account with

THIRD CITIZENS BANK AND TRUST COMPANY
CLIO, SOUTH CAROLINA 29555

J. M. Hamden
Clio, SC 29555

Statement Date 6/30/-- Account No. 81106

(2) Checks		(3) Deposits	(4) Date	(5) No. of Checks Paid	(6) Balance
Amount brought forward			6/28/7–		(1) 250.00
		586.93	7/ 2/7–		836.93
25.00			7/ 3/7–	1	811.93
14.25			7/ 6/7–	2	797.68
54.78			7/ 8/7–	3	742.90
16.68			7/ 9/7–	4	726.22
67.25	10.00		7/12/7–	6	648.97
100.89			7/25/7–	7	548.08
78.99	8.38		7/28/7–	9	460.71
(7) 1.50	SC	126.00	7/28/7–		(8) 585.21

(1) The balance carried over from last month. ($250)
(2) The bank lists each check deducted. Also, a service charge for month, No. 7.
(3) The bank lists each deposit made during the month. ($56.93 and $126.00)
(4) The date each check was received or deposit was made. (On the 12th and 28th, two checks were deducted.)
(5) The bank lists the number of checks cleared.
(6) The balance changes each time a deposit is made or a check deducted.
(7) A service charge is made at the end of the month and deducted from balance. This is denoted by SC. ($1.50 is deducted.) Some banks make no service charge if balance of the account is over $100.
(8) The balance of the account ($585.21).

B. Now turn to the next page and follow directions A, B, C.

STUDENT ACTIVITY I

Assume that you have completed A and B on the form below. Read C then total the three outstanding checks listed. No. 8 matches the 8 on page 2. You have been given the checkbook balance of $491.22. Proceed with the form. Balance 1 must be equal to Balance 2 in order to reconcile the bank and checkbook balances. (**)

RECONCILIATION FORM

Suggestions to help you balance your bank statement:

A Compare returned checks with your statement

B Sort the checks numerically or by dates issued

C Check off on your checkbook stubs each of the checks paid by the bank, and make a list of the numbers or dates and amount of those still outstanding in the space provided below.

Check your deposit receipts with deposits credited on your statement.

Checks Outstanding Not Charged to Your Account:

Number or Date	Amount
346	10.86
360	7.65
361	76.98

C. Total *

8. Bank Balance Shown on This Statement

Deposits Not Credited +

Sub Total

C. * Checks Outstanding –

Balance 1

(**) Balance 1 Above Should Agree With Balance 2 Below

Your Checkbook Balance 491.22

Service Charge –

Balance 2

Ask your instructor to evaluate your statement, then proceed to Check Out Activity I.

CHECK OUT ACTIVITY I

Assume that you are the bookkeeper for Mr. John M. Friedman; Mr. Friedman asked you to help him reconcile his personal bank statement with his checkbook balance.

You may need to study Student Activity I, pages 2 and 3 before you begin.

Included in this packet are:

1. Last month's reconciliation form.
2. Two deposit slips for July 1 and July 28.
3. Bank statement for July.
4. Canceled checks for this month.
5. Stubs for checks written and balance after each check.
6. Blank reconciliation form to be used.

You will fill in the heading on the reconciliation form with Mr. Friedman's name and the date, August 1, 197–.

You will note by the numbers on the reconciliation form the order you will follow in making the reconciliation.

1. Compare returned (canceled) checks with bank statement.

2. Sort the checks numerically.

3. Check off on your checkbook stubs each of the checks paid by the bank. Make a list of the numbers and amounts of those checks still outstanding (unpaid by the bank) in the space below.

4. Check your deposit receipts with deposits credited on your statement.

5. Write bank balance as shown on the bank statement.

6. Subtract total outstanding checks from subtotal to get Balance 1.

7. Write checkbook balance.

8. Subtract service charge to get Balance 2.

9. Balance 2 should equal Balance 1.

CHECK OUT ACTIVITY I

RECONCILEMENT FORM

Suggestions to help you balance your bank statement:

Compare returned checks with your statement

Sort the checks numerically or by dates issued

Check off on your checkbook stubs each of the checks paid by the bank, and make a list of the numbers or dates and amount of those still outstanding in the space provided below.

Check your deposit receipts with deposits credited on your statement.

Checks Outstanding Not Charged to Your Account:

Number or Date	Amount
12	10.00

Total 10.00

Bank Balance Shown on This Statement 20.88

Deposits Not Credited +

Sub Total 20.88

Checks Outstanding − 10.00

Balance 1 10.88

Balance 1 Above Should Agree With Balance 2 Below

Your Checkbook Balance 12.38

Service Charge − 1.50

Balance 2 10.88

CHECK OUT ACTIVITY I

THIRD NATIONAL BANK
Deposited by

John M. Friedman
Clio, SC 29525

July 1 19 --

Account No.

			Dollars	Cents
Bills			10	00
Coins				
Checks 32-873			400	00
TOTAL			410	00

THIRD NATIONAL BANK
Deposited by

John M. Friedman
Clio, SC 29525

July 28 19 --

Account No.

			Dollars	Cents
Bills			20	00
Coins			5	00
Checks 342-873			100	00
TOTAL			125	00

CHECK OUT ACTIVITY I

STATEMENT OF ACCOUNT WITH
THIRD NATIONAL BANK
CLIO, SOUTH CAROLINA 29525

John M. Friedman

Clio, SC 29525

Your friendly
neighborhood bank

ACCOUNT NO. 177854

CHECKS			DEPOSITS	DATE	BALANCE
AMOUNT BROUGHT FORWARD					
				6/28/--	20.88
			410.00	7/1/--	430.88
20.00				7/1/--	410.88
10.00				7/2/--	400.88
5.00	7.50			7/2/--	388.38
103.34	15.60	75.00		7/6/--	194.44
61.75				7/11/--	132.69
20.00				7/20/--	112.69
30.00				7/23/--	82.69
17.90				7/26/--	64.79
10.00				7/27/--	54.79
3.45	5.89			7/28/--	45.45
1.50	SC		125.00	7/29/--	168.95

A – Charge a Check Advance
C – Correction
N – Not sufficient funds
OD – Overdraft
SC – Service Charge
T – Savings Transfer

Last Statement Bal. 20.88
No. Checks 13
Total amt. 386.93
No. Deposits 2
Total Amt. 535.00

NO. 12 $ 10.00
DATE 6/28 19 --
TO Clio Furniture
FOR pillows

	Dollars	Cents
Bal. Bro't For'd	22	38
Amt. Deposited		
less service charge	1	50
TOTAL	20	88
Amt. This Check	10	—
Bal. Car'd For'd	10	88

No. 12 THIRD NATIONAL BANK 2-873
CLIO, SC 29525 67

6/28 19 --

Pay to the Order of Clio Furniture Co. $ 10.00

Ten and no/100 Dollars

:1132"109: 325"12345 John M. Friedman

NO. 13 $ 20.00
DATE 7/1 19 --
TO Jones Grocery
FOR groceries

	Dollars	Cents
Bal. Bro't For'd	10	88
Amt. Deposited	410	—
TOTAL	420	88
Amt. This Check	20	—
Bal. Car'd For'd	400	88

No. 13 THIRD NATIONAL BANK 2-873
CLIO, SC 29525 67

7/1 19 --

Pay to the Order of Jones Grocery $ 20.00

Twenty + no/100 Dollars

:1132"109: 325"12345 John M. Friedman

For deposit
Clio Furniture Co.
account 482

For deposit only
Jones Grocery

NO. 14 $ 7.50
DATE 7/3 19 --
TO Bell Drug Co.
FOR medicine

	Dollars	Cents
Bal. Bro't For'd	400	88
Amt. Deposited		
TOTAL		
Amt. This Check	7	50
Bal. Car'd For'd	393	38

No. 14 THIRD NATIONAL BANK 2-873
CLIO, SC 29525 67

7/3 19 --

Pay to the Order of Bell Drug Company $ 7.50

Seven & 50/100 Dollars

:1132"109: 325"12345

John M. Friedman

NO. 15 $ 5.--
DATE 7/4 19 --
TO Family Book Store
FOR books

	Dollars	Cents
Bal. Bro't For'd	393	38
Amt. Deposited		
TOTAL		
Amt. This Check	5	--
Bal. Car'd For'd	388	38

No. 15 THIRD NATIONAL BANK 2-873
CLIO, SC 29525 67

7/4 19 --

Pay to the Order of Family Book Store $ 5.00

Five and 00/100 Dollars

:1132"109: 325"12345

John M. Friedman

Pay to the order of
King Wholesale Co.
Bell Drug Co.

Family Book Store
J. E. Jones, owner

NO. 16 $ 5.89
DATE 7/6 19 --
TO McCall Flowers
FOR arrangement

	Dollars	Cents
Bal. Bro't For'd	388	38
Amt. Deposited		
TOTAL		
Amt. This Check	5	89
Bal. Car'd For'd	382	49

No. 16 THIRD NATIONAL BANK 2-873
CLIO, SC 29525 67

7/6 19 --

Pay to the Order of McCall Flowers $ 5.89

Five + 89/100 Dollars

:1132"109: 325"12345

John M. Friedman

NO. 17 $ 30.00
DATE 7/8 19 --
TO Smiths Clothing
FOR shoes

	Dollars	Cents
Bal. Bro't For'd	382	49
Amt. Deposited		
TOTAL		
Amt. This Check	30	-
Bal. Car'd For'd	352	49

No. 17 THIRD NATIONAL BANK 2-873
CLIO, SC 29525 67

7/8 19 --

Pay to the Order of Smiths Clothing Co. $ 30.00

Thirty and NO/100 Dollars

:1132"109: 325"12345

John M. Friedman

For deposit only
McCall Flowers

For deposit
Smith Clothing

NO. 18 $ 61.75
DATE 7/10 19 --
TO Sears Hardware
FOR lawn mower repair

	Dollars	Cents
Bal. Bro't For'd	352	49
Amt. Deposited		
TOTAL		
Amt. This Check	61	75
Bal. Car'd For'd	290	74

No. 18 THIRD NATIONAL BANK 2-873
CLIO, SC 29525 67

7/10 19 --

Pay to the Order of Sears Hardware $ 61.75

Sixty-one and 75/100 Dollars

:1132"109: 325"12345 John M. Friedman

NO. 19 $ 103.34
DATE 7/11 19 --
TO Clarks Ser. Sta.
FOR Tires

	Dollars	Cents
Bal. Bro't For'd	290	74
Amt. Deposited		
TOTAL		
Amt. This Check	103	34
Bal. Car'd For'd	187	40

No. 19 THIRD NATIONAL BANK 2-873
CLIO, SC 29525 67

7/11 19 --

Pay to the Order of Clarks Service Station $ 103.34

One hundred three + 34/100 Dollars

:1132"109: 325"12345 John M. Friedman

For deposit only
Sears Hdwe.

Clarks Ser. Sta.
for deposit

NO. 20 $ 20.00
DATE 7/14 19--
TO City Power Co.
FOR lights

	Dollars	Cents
Bal. Bro't For'd	187	40
Amt. Deposited		
TOTAL		
Amt. This Check	20	—
Bal. Car'd For'd	167	40

No. 20 THIRD NATIONAL BANK
CLIO, SC 29525 2-873/67

7/14 19--

Pay to the Order of City Power Co. $ 20.00

Twenty & no/100 Dollars

:1132"109: 325"12345 John M. Friedman

NO. 21 $ 1.25
DATE 7/15 19--
TO Town Hdwe.
FOR bolts & screws

	Dollars	Cents
Bal. Bro't For'd	167	40
Amt. Deposited		
TOTAL		
Amt. This Check	1	75
Bal. Car'd For'd	165	65

No. _____ THIRD NATIONAL BANK
CLIO, SC 29525 2-873/67

_____ 19 ____

Pay to the Order of _____ $ _____

_____ Dollars

:1132"109: 325"12345 _____

Pay to the order of
Second National Bank
for deposit only
City Power Co.

NO. 22 $ 3.45
DATE 7/16 19 --
TO A + C Grocery
FOR groceries

	Dollars	Cents
Bal. Bro't For'd	165	65
Amt. Deposited		
TOTAL		
Amt. This Check	3	45
Bal. Car'd For'd	162	20

No. 22 THIRD NATIONAL BANK
CLIO, SC 29525
2-873
67

7/16 19 --

Pay to the Order of A + C Grocery $ 3.45

Three + 45/100 Dollars

:1132"109: 325"12345

John M. Friedman

NO. 23 $ 17.90
DATE 7/18 19 --
TO City Power Co.
FOR Water bills - May + June

	Dollars	Cents
Bal. Bro't For'd	162	20
Amt. Deposited		
TOTAL		
Amt. This Check	17	90
Bal. Car'd For'd	144	30

No. 23 THIRD NATIONAL BANK
CLIO, SC 29525
2-873
67

7/18 19 --

Pay to the Order of City Power Company $ 17.90

Seventeen + 90/100 Dollars

:1132"109: 325"12345

John M. Friedman

A + C Grocery
for deposit only

for deposit only
City Power Co.

NO. 24 $ 15.60
DATE 7/20 19 --
TC J. R. Smith Co.
FOR mdse.

	Dollars	Cents
Bal. Bro't For'd	144	30
Amt. Deposited		
TOTAL		
Amt. This Check	15	60
Bal. Car'd For'd	128	70

No. 24 THIRD NATIONAL BANK 2-873
CLIO, SC 29525 67

7/20 19 --

Pay to the Order of J. R. Smith Company $ 15.60

Fifteen + 60/100 Dollars

:1132"109 325"12345 John M. Friedman

NO. 25 $ 75.00
DATE 7/24 19 --
TO Dr. McDonald
FOR services for
gall-X-ray +
tests

	Dollars	Cents
Bal. Bro't For'd	128	70
Amt. Deposited		
TOTAL		
Amt. This Check	75	--
Bal. Car'd For'd	53	70

No. 25 THIRD NATIONAL BANK 2-873
CLIO, SC 29525 67

7/24 19 --

Pay to the Order of Dr. J. M. McDonald $ 75.00

Seventy-five + no/100 Dollars

:1132"109: 325"12345 John M. Friedman

For deposit only
J.R. Smith Co.

Pay to the
order of First
National Bank
for deposit only
J.M. McDonald

For deposit only
Jay Bee Drug Co.

NO. 26 $ 10.00
DATE 7/26 19 --
TO
FOR Jay Bee Drug
prescription

	Dollars	Cents
Bal. Bro't For'd	53	70
Amt. Deposited		
TOTAL		
Amt. This Check	10	—
Bal. Car'd For'd	43	70

No. 26 THIRD NATIONAL BANK
CLIO, SC 29525
2-873
67

7/26 19 --

Pay to the Order of Jay Bee Drug Co. $ 10.00

Ten and no/100 Dollars

:1132"109: 325"12345

John M. Friedman

NO. 27 $ 2.50
DATE 7/28 19 --
TO
FOR A&C Grocery
groceries

	Dollars	Cents
Bal. Bro't For'd	43	70
Amt. Deposited	125	—
TOTAL	168	70
Amt. This Check	2	50
Bal. Car'd For'd	166	20

No. _____ THIRD NATIONAL BANK
CLIO, SC 29525
2-873
67

_____ 19 ____

Pay to the Order of _____ $ _____

_____ Dollars

:1132"109: 325"12345 _____

NO. 28 $ _____

DATE _____ 19 ____

TO _____

FOR _____

	Dollars	Cents
Bal. Bro't For'd	166	20
Amt. Deposited		
TOTAL		
Amt. This Check		
Bal. Car'd For'd		

No. _____ THIRD NATIONAL BANK
CLIO, SC 29525

2-873
67

_____ 19 ____

Pay to the Order of _____ $ _____

_____ Dollars

:1132"109: 325"12345 _____

NO. _____ $ _____

DATE _____ 19 ____

TO _____

FOR _____

	Dollars	Cents
Bal. Bro't For'd		
Amt. Deposited		
TOTAL		
Amt. This Check		
Bal. Car'd For'd		

No. _____ THIRD NATIONAL BANK
CLIO, SC 29525

2-873
67

_____ 19 ____

Pay to the Order of _____ $ _____

_____ Dollars

:1132"109: 325"12345 _____

CHECK OUT ACTIVITY I

RECONCILIATION FORM

Suggestions to help you balance your bank statement:

1. Compare returned checks with your statement
2. Sort the checks numerically or by dates issued
3. Check off on your checkbook stubs each of the checks paid by the bank, and make a list of the numbers or dates and amount of those still outstanding in the space provided below.
4. Check your deposit receipts with deposits credited on your statement.

Checks Outstanding Not Charged to Your Account:

Number or Date	Amount

3. Total _____

5. Bank Balance Shown on This Statement _____

Deposits Not Credited + _____

Sub Total _____

6. Checks Outstanding – _____

Balance 1 _____

Balance 1 Above Should Agree With Balance 2 Below

7. Your Checkbook Balance _____

8. Service Charge – _____

9. **Balance 2** _____

RECONCILING BANK STATEMENT

INSTRUCTOR'S MANUAL

Prepared by

Jean Hamer

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State Department of Education
Office of Vocational Education
Office Occupations Education
Columbia, South Carolina 29201

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Clemson, South Carolina 29631

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INSTRUCTOR'S MANUAL
RECONCILING THE BANK STATEMENT

Review this module completely before beginning instruction. Then, duplicate the perishables listed below.

Perishables

1. Student Activity I – Reconcile the Bank and Checkbook Balances
   One bank reconciliation form

2. Check Out Activity I – Reconciling the Bank Statement
   One reconciliation form

The key for the Student Activity I and Check Out Activity I are included in this manual. A blank stub check is included so that you may vary the Learning Activities if you like. Cut the cancelled checks from their stubs in the Check Out Activity.

NO. _____ $ _____
DATE _____ 19 ____
TO _____
FOR _____
_____

	Dollars	Cents
Bal. Bro't For'd		
Amt. Deposited		
TOTAL		
Amt. This Check		
Bal. Car'd For'd		

No. _____ THIRD NATIONAL BANK 2-873
CLIO, SC 29525 67

_____ 19 ____

Pay to the Order of _____ $ _____

_____ Dollars

:1132"109: 325"12345 _____

NO. _____ $ _____
DATE _____ 19 ____
TO _____
FOR _____
_____

	Dollars	Cents
Bal. Bro't For'd		
Amt. Deposited		
TOTAL		
Amt. This Check		
Bal. Car'd For'd		

No. _____ THIRD NATIONAL BANK 2-873
CLIO, SC 29525 67

_____ 19 ____

Pay to the Order of _____ $ _____

_____ Dollars

:1132"109: 325"12345 _____

KEY

STUDENT ACTIVITY I

J. M. HAMDEN
BANK RECONCILIATION STATEMENT

7/1/7–

BANK BALANCE		$585.21	CHECKBOOK BALANCE	$491.22
Less Outstanding checks:			Less Service Charge	1.50
No. 346	10.86			
360	7.65			
361	76.98			
Total		95.49		
		$489.72	Balance	$489.72

KEY
CHECK OUT ACTIVITY I

John M. Friedman
Reconciliation Form
8/1/7–

Suggestions to help you balance your bank statement:

1. Compare returned checks with your statement
2. Sort the checks numerically or by dates issued
3. Check off on your checkbook stubs each of the checks paid by the bank, and make a list of the numbers or dates and amount of those still outstanding in the space provided below.
4. Check your deposit receipts with deposits credited on your statement.

Checks Outstanding Not Charged to Your Account:

Number or Date	Amount
21	1.75
27	2.50
Total	4.25

3.

5. Bank Balance Shown on This Statement 168.95

Deposits Not Credited +

Sub Total 168.95

6. Checks Outstanding – 4.25

Balance 1 164.70

Balance 1 Above Should Agree With Balance 2 Below

7. Your Checkbook Balance 166.20

8. Service Charge – 1.50

9. Balance 2 164.70